Audit Status Report
As of August 30, 2011

State Legislative Audit Activities

    None

External Audit Reports & Activities

Final Reports Issued:

    FY07 Incurred Costs for Fringe Benefits (DCAA)

    FY08 Incurred Costs for Fringe Benefits (DCAA)

    FY12 Fringe Benefit Forward Pricing (DCAA)

    National Science Foundation Audit of UAA Grants (NSF OIG)

    Information Security Review (Coalfire Systems)

Work in Progress:

    UACP Alyeska Contract (Alyeska)

    Adobe Software Licensing (Adobe)

    PERS/TRS 2010 Payroll and Personnel Systems (State Dept of Administration)

    University of Alaska Annual Financial Audit FY11 (KPMG)

    UA Foundation and Consolidated Fund FY11 (KPMG)

    UA A-133 Single Audit FY11 (KPMG)

    College Savings Plan and Education Trust of Alaska (PWC)

<u>FY2012 Annual Audit Plan</u>

Italic Items - have been completed or are in progress

<u>External Financial Audit Support:</u>

Year-end cutoff   Auxiliary fund analysis
Inventory observation   *Unexpended plant fund additions*
Cash disbursements & bank transfers   Search for Unrecorded Liabilities
Cash depositories

<u>Audits and Projects:</u>

University of Alaska Anchorage: Follow-up Audit**
    Department Review*
    Restricted Funds
    Athletics**
    Representational Expenditures*   Function and System Reviews:
    Student Fees   Banking and Reconciliation
                                                                    Activities
                                                                Contracts
University of Alaska Fairbanks: BCP/DRP
    Department Review*
    Restricted Funds**   Information Systems Reviews:
    Athletics   Outsourced Services
    Procurement**   Banner Access
    Student Fees   Campus IT General Controls**
                                                                Banner Program Upgrade**

University of Alaska Southeast:
    Department Review – 2*   Follow-up Auditing
    Restricted Funds
    School of Education Restricted   Special Requests*
        *Funds***

                                                               Investigations*
Statewide:
    Facilities
    Procurement**
    *Specific departments/areas to be determined later
    **Carried forward from FY11

Audit Reports:

- Statewide Departmental Travel and Travel Card (FY10)

- UAA ANSEP (FY11)

Audits in Review:

- UAF Northwest Campus Data Security (FY11) - The draft report is ready to send after campus staff return in the fall.

- UAA Kenai Peninsula College Data Security (FY11) - The draft report will be ready to send shortly after campus staff return in the fall.

- UAF Facilities (FY10) – Draft report expected to be sent by September 9, pending exit meeting with the department.

- UAS Follow-up Auditing (FY11) – The auditor is finishing the work papers for one of the prior audits, but two prior audit sections are complete.

FY2012 Audit Plan Progress and Staffing

We continue to be fully staffed with our three full-time auditors and one student intern.

Enterprise Risk Management and Risk Assessments

FY11 executive risk assessment workshops were conducted with UAS and Statewide. UAF and UAA opted to conduct their own risk assessments this year. Each MAU provided their top risks for compilation in the risk register, which will be presented to the Board of Regents by Julie Baecker, Chief Risk Officer. The top risks presented in the risk register will be included during planning of internal audit engagements. This is one method utilized by Internal Audit to ensure that audit engagements are based on areas identified as high risk, and that the department is providing services that are relevant to university leadership.

Enterprise risk management activities will continue throughout FY12 with executive risk assessments, updating the FY11 assessment results, and facilitating detailed risk assessments with a department or function selected by each MAU.

Internal Audit also has plans to work with OIT Technology Oversight Services on campus information technology risk assessments.

Other Department Activities

- Continuous Controls Monitoring – This is an ongoing project that involves analytical tests which run automatically on a prescheduled basis. An auditor has been assigned to the follow-up of results from tests, refinement of tests, and development of new tests.

- o Potential Duplicate Payments by Accounts Payable

- o Potential Scheduled Payments (unauthorized)

- o Representational expenditures with inappropriate funding sources

- o Gifts Exceeding $25 Threshold

- o Potential Duplicate Payroll Checks

- o Terminated Employees on the Payroll

- o Phantom Employees

- o Potentially Prohibited Credit Card Transactions

- o Potentially Miscoded Credit Card Transactions

- Quality Assessment Review (QAR) – External Validation

  - o The external validation occurred August 1 – 5, 2011, by Mr. Don Holdegraver of the University of North Texas System. We are awaiting the final report, which consists of our self assessment report, response, and Mr. Holdegraver's observations. The final report will be shared with the Audit Committee.

- Participation on the Payment Card Industry Data Security Standards (PCI DSS) Compliance Committee